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Letter dated 17 January 2017 from the Security Council Facilitator for the implementation of resolution 2231 (2015) addressed to the President of the Security Council

I have the honour to transmit herewith, as agreed among the representatives of the Security Council for the implementation of resolution 2231 (2015), my six-month report on the implementation of the resolution, which covers the period from 16 July 2016 to 15 January 2017.

I should be grateful if the present letter and the report could be issued as a document of the Security Council.

(*Signed*) Sebastiano **Cardi**
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implementation of resolution 2231 (2015)

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Please recycle

Second six-month report of the Facilitator on the implementation of Security Council resolution 2231 (2015)

I. Introduction

1. The note by the President of the Security Council of 16 January 2016 (S/2016/44) set forth the practical arrangements and procedures for the Council for carrying out tasks related to the implementation of resolution 2231 (2015), particularly with respect to the provisions specified in paragraphs 2 to 7 of annex B to that resolution.

2. In the note, it was established that the Security Council should select, on an annual basis, one member to serve as its facilitator for the functions specified therein. On 16 January 2016, the Permanent Representative of Spain, Román Oyarzun Marchesi, was appointed as Facilitator for the implementation of resolution 2231 (2015) for the period ending 31 December 2016 (see S/2016/2/Rev.4). On 3 January 2017, I was appointed as Facilitator for the period ending 31 December 2017 (see S/2017/2/Rev.1).

3. It was also established in the note that the Facilitator should brief the other members of the Security Council on his or her work and the implementation of resolution 2231 (2015) every six months, in parallel with the report submitted by the Secretary-General on the implementation of the resolution.

4. On 18 July 2016, the Security Council was briefed by the Under-Secretary-General for Political Affairs on the first report of the Secretary-General on the implementation of resolution 2231 (2015) (S/2016/589), by the Facilitator on the work of the Council and the implementation of resolution 2231 (2015) (S/2016/649) and by the Head of the Delegation of the European Union to the United Nations, on behalf of the High Representative of the Union for Foreign Affairs and Security Policy, in her capacity as Coordinator of the Joint Commission established in the Joint Comprehensive Plan of Action (see S/PV.7739).

5. The present report covers the period from 16 July 2016 to 15 January 2017.

II. "2231 format" of the Security Council

6. The representatives of the "2231 format" of the Security Council held an informal meeting on 13 January 2017 to discuss issues relevant to the implementation of resolution 2231 (2015) and to review, as set forth in paragraph 7 of the note by the President of the Security Council (S/2016/44), the findings and recommendations contained in the second report of the Secretary-General on the implementation of the resolution before its public release.

7. On 21 September 2016, the Facilitator's team, together with the Secretariat, met representatives of the Joint Commission to discuss the functioning of the procurement channel. That meeting was further proof of the fluid cooperation between the Security Council and the Joint Commission and gave continuity to similar meetings held in the past.

8. There were no changes to the list maintained pursuant to resolution 2231 (2015), which, at present, includes 23 individuals and 61 entities.[1]

9. The Facilitator continued to have the support of the Secretariat through the Security Council Affairs Division of the Department of Political Affairs.

III. Joint Comprehensive Plan of Action

10. On 16 January 2016, upon the submission by the Director General of the International Atomic Energy Agency (IAEA) to the IAEA Board of Governors and, in parallel, to the Security Council of a report confirming that the Islamic Republic of Iran had taken the actions specified in paragraphs 15.1 to 15.11 of annex V to the Joint Comprehensive Plan of Action (S/2016/57, annex), all provisions of Council resolutions 1696 (2006), 1737 (2006), 1747 (2007), 1803 (2008), 1835 (2008), 1929 (2010) and 2224 (2015) were terminated.

11. On the same day, all the provisions of annex B to resolution 2231 (2015) entered into force, requiring compliance with paragraphs 1, 2, 4 and 5 and the provisions in paragraphs 6 (a) to (f) of annex B to the resolution for the duration specified therein, and calling for compliance with paragraphs 3 and 7 of annex B to the resolution.

12. In line with paragraph 4 of resolution 2231 (2015), the IAEA Director General submitted, in September and November 2016, to the IAEA Board of Governors and, in parallel, to the Security Council reports on its verification and monitoring activities in the Islamic Republic of Iran in the light of resolution 2231 (2015) (S/2016/808 and S/2016/983). In his introductory statement to the meeting of the Board of Governors held on 17 November 2016, the Director General called attention to his report that the Agency continued to verify and monitor the implementation by the Islamic Republic of Iran of its nuclear-related commitments under the Joint Comprehensive Plan of Action. In addition, on 6 December, IAEA submitted an update on developments in relation to the Iranian stockpile of heavy water since its last quarterly report.

13. In both quarterly reports, the Agency affirms that the Islamic Republic of Iran: has not pursued construction of the existing Arak heavy water research reactor (IR-40 reactor) on the basis of its original design; has no more than 5,060 IR-1 centrifuges that have remained installed in 30 cascades at Natanz and has not enriched uranium above 3.67 per cent U-235; has not conducted any uranium enrichment or related research and development activities at Fordow, and there has not been any nuclear material at the plant; has continued to permit the Agency to

[1] The list includes the individuals and entities specified on the list established under resolution 1737 (2006) and maintained by the Security Council Committee established pursuant to resolution 1737 (2006), as at the date of adoption of resolution 2231 (2015), with the exception of 36 individuals and entities specified in the attachment to annex B to resolution 2231 (2015), who were delisted on Implementation Day. The Council can delist individuals or entities and list additional individuals and entities found to meet certain designation criteria defined in resolution 2231 (2015). On 17 January 2016, the Council decided to delist one entity, Bank Sepah and Bank Sepah International (see Council press release dated 17 January 2016, entitled "Security Council removes Bank Sepah and Bank Sepah International from 2231 list").

use online enrichment monitors and electronic seals that communicate their status within nuclear sites to Agency inspectors, and to facilitate the automated collection of Agency measurement recordings registered by installed measurement devices (para. 67.1); and has issued long-term visas to Agency inspectors designated for the Islamic Republic of Iran as requested by the Agency and provided proper working space for the Agency at nuclear sites and facilitated the use of working space at locations near nuclear sites in the Islamic Republic of Iran (para. 67.2). Both reports also affirm the continued cooperation of the Islamic Republic of Iran with the monitoring of uranium ore concentrate in the Islamic Republic of Iran, as specified by the Joint Comprehensive Plan of Action.

14. The Agency also reported that it was continuing to verify the non-diversion of declared nuclear material at the nuclear facilities and locations outside facilities where nuclear material is customarily used, declared by the Islamic Republic of Iran under its Safeguards Agreement. The Agency further reported that the Islamic Republic of Iran continues to provisionally apply the Additional Protocol to its Safeguards Agreement and that the Agency continues its evaluations regarding the absence of undeclared nuclear material and activities for the Islamic Republic of Iran, including through the conduct of complementary accesses under the Additional Protocol to sites and other locations in the Islamic Republic of Iran.

IV. Monitoring the implementation of resolution 2231 (2015)

15. The Facilitator received no information regarding alleged actions inconsistent with resolution 2231 (2015). At the same time, the Facilitator took note of the letter from the Permanent Representative of Israel to the President of the Security Council (S/2016/987) and the letter from the Chargé d'affaires a.i. of the Permanent Mission of the Islamic Republic of Iran to the President of the Security Council (S/2016/992).

16. The Facilitator had contacts with the Permanent Mission of the Islamic Republic of Iran to the United Nations to seek a response to two alleged instances of arms transfers:

(a) On 7 June 2016, the Security Council received a report on the implementation of paragraph 6 (b) of annex B to resolution 2231 (2015) (see S/2016/649, para. 23). A Member State informed the Council that its naval forces had encountered and boarded a dhow transiting international waters in the vicinity of the Gulf of Oman with arms that had allegedly originated in the Islamic Republic of Iran and were likely bound for Yemen. On 17 June, the Facilitator sent a letter to the Permanent Representative of the Islamic Republic of Iran to the United Nations (see S/2016/649, para. 24) inviting his Government to comment on the report;

(b) On 5 July 2016, the Council received another report on the implementation of paragraph 6 (b) of annex B to resolution 2231 (2015). A Member State informed the Council that its naval forces had encountered and boarded a ship in the northern Indian Ocean with arms that had allegedly originated in the Islamic Republic of Iran and were likely bound for Yemen or Somalia (see S/2016/649, para. 25). On 22 July, the Facilitator sent a second letter to the Permanent Representative of the Islamic Republic of Iran inviting his Government to comment on the report.

17. During the contacts of the Facilitator to seek clarification about these two alleged instances, the Permanent Mission of the Islamic Republic of Iran rejected the allegations, reiterating that the Islamic Republic of Iran had never engaged in such deliveries. As at the time of submission of the present report, the Islamic Republic of Iran had not formally replied to the letters of 17 June 2016 and 22 July 2016.

V. Procurement channel approval, notifications and exemptions

18. The procurement channel processed five proposals to participate in or permit the activities set forth in paragraph 2 of annex B to resolution 2231 (2015) that had been submitted by two Member States to the Security Council for approval. In accordance with paragraph 8 (b) of the note by the President of the Security Council (S/2016/44), the proposals were immediately forwarded to the Joint Commission for its review.

19. Two proposals for the supply of items, material, equipment, goods and technology set out in INFCIRC/254/Rev.9/Part 2 were submitted to the Security Council on 6 October 2016. The Joint Commission provided recommendations of approval. The two proposals were subsequently approved by the Council on 17 November. One proposal for the supply of items, material, equipment, goods and technology set out in INFCIRC/254/Rev.12/Part 1 was submitted to the Council on 15 November. The Joint Commission provided a recommendation of approval. The proposal was approved by the Council on 28 December. Two proposals for the supply of items, material, equipment, goods and technology set out in INFCIRC/254/Rev.9/Part 2 were submitted to the Council on 6 December. These proposals are currently under review by the Joint Commission.

20. On 23 December 2016, the Coordinator of the Procurement Working Group transmitted to the Facilitator of resolution 2231 (2015) the second six-month report of the Joint Commission (S/2016/1113), in accordance with paragraph 6.10 of annex IV to the Joint Comprehensive Plan of Action, reflecting the activities performed during the said six-month reporting period.

21. In addition, one notification was submitted to the Security Council on 17 November 2016 in relation to the transfer to the Islamic Republic of Iran of technology covered in B.1 of INFCIRC/254/Rev.12/Part 1 intended for light water reactors. Second and third notifications were submitted to the Council on 23 and 28 December 2016, respectively, in relation to the transfer to the Islamic Republic of Iran of low-enriched uranium covered by A.1.2 of INFCIRC/254/Rev.12/Part 1 incorporated in assembled nuclear fuel elements intended for light water reactors, and of equipment covered by B.1 of INFCIRC/254/Rev.12/Part 1 intended for light water reactors. According to paragraph 2 of annex B to resolution 2231 (2015), certain nuclear-related activities do not require approval but do require a notification to the Council or to both the Council and the Joint Commission.

VI. Other approval and exemption requests

22. On 23 November 2016, a proposal to participate in and permit the activities set forth in paragraph 5 of annex B to resolution 2231 (2015) was submitted by a Member State to the Security Council. The Council has not yet replied to this proposal.

23. Exemptions to the asset freeze provisions and to the travel ban provisions are contained in paragraphs 6 (d) and 6 (e), respectively, of annex B to resolution 2231 (2015). No exemption requests were received or granted by the Security Council in relation to the 23 individuals and 61 entities currently on the list maintained pursuant to resolution 2231 (2015).

VII. Transparency, guidance and outreach

24. Transparency, practical guidance and outreach remained a priority, in view of the importance of a proper understanding of resolution 2231 (2015) for its implementation.

25. The website on resolution 2231 (2015), managed and regularly updated by the Secretariat, has been a key instrument for providing relevant information about the implementation of the resolution. From 18 July to 20 December 2016, the number of page views was more than 72,000, for a total of more than 140,000 since the creation of the website.

26. On 25 July 2016, the Security Council responded to a request for guidance submitted by a Member State on 24 June regarding access to foreign ports by Iranian-flagged vessels in order to load and unload goods. The Council recalled that all the provisions of previous resolutions on the Iranian nuclear issue had been terminated on 16 January, in line with paragraph 7 (a) of resolution 2231 (2015), including the ban on the provision of bunkering services to Iranian-owned or Iranian-contracted vessels, including chartered vessels, believed to carry prohibited items. The Council also recalled that none of the provisions of annex B to resolution 2231 (2015) prevented Iranian-flagged vessels and Iranian-owned or Iranian-contracted vessels, including chartered vessels, from entering foreign ports in order to load and unload goods. The Council further recalled the provisions in paragraphs 6 and 7 of annex B to resolution 2231 (2015) relating to items on States' territories, including seaports and airports, the supply, sale, transfer or export of which is not in compliance with the Joint Comprehensive Plan of Action or resolution 2231 (2015).

27. On 19 September 2016, in response to a request submitted by a Member State through the Facilitator, the Joint Commission provided guidance on temporary nuclear-related transfers to the Islamic Republic of Iran pursuant to paragraph 2 of annex B to resolution 2231 (2015). The Joint Commission indicated that in cases where the goods in question are intended to remain in the Islamic Republic of Iran only for a certain period of time and subsequently leave the Islamic Republic of Iran would follow the established procedure within the procurement channel, including an end-use certification signed by the designated Iranian national authority. The Joint Commission also indicated that it would endeavour to expedite its review of temporary exports for demonstration or display in exhibitions. The guidance was

reflected in amended versions of the documents offering practical information on the procurement channel, which are available on the Security Council website dedicated to the implementation of resolution 2231 (2015) and were brought to the attention of all Member States through a note verbale issued by the Facilitator on 18 October 2016 (SCA/4/16 (10)).

28. On 27 December 2016, the Facilitator received a report on the steps taken by one Member State to bring its national legal framework into compliance with resolution 2231 (2015).

29. The Facilitator held several bilateral consultations with Member State representatives, including the Islamic Republic of Iran, to discuss issues relevant to the implementation of resolution 2231 (2015).